

62-759

OGC 62-0216

2 February 1962

**MEMORANDUM FOR: Deputy Director (Support)****SUBJECT: Conflicts of Interest - Advisory Committees -  
Scientific Advisors**

1. This memorandum is for information.

2. On 2 February I discussed with the Office of Legal Counsel, Department of Justice, the situation of this Agency with regard to the use of consultants and advisory committees in the light of the opinion which the Office of Legal Counsel had given to the Atomic Energy Commission on 10 March 1959. I described generally the manner in which we use advisory committees and consultants and specifically pointed out the situation of the Technical Services Division's Research Board. I said that in our earlier review in 1959 we had felt there was no problem of conflicts of interest but concern had arisen in view of the more stringent requirements of the ruling to the Atomic Energy Commission. I said I felt our problem was different from that of the Atomic Energy Commission and queried whether we needed to apply the stricter rule. I was informed that the Office of Legal Counsel was presently developing regulations in this field of consultants and advisors for issuance by the President and that they felt these regulations, which would be quite specific, would permit us to continue our present practices. They felt we should take no action in regard to our present system and practices until the regulations were published, at which time we could determine whether there were any appearance of a violation. I told the Department of Justice representatives that we would complete our survey, bringing up to date our utilization of advisory committees and consultants, and would study the results in the light of the regulations when they were issued. ✓

s/ Lawrence R. Houston

LEB 2  
LAWRENCE R. HOUSTON  
General Counsel

cc: IG

~~SECRET~~

## SCIENTISTS TO GET U.S. ETHICS CODE

It Will Seek to Clarify Role  
of Part-Time Consultants

25 JAN 62

By JOHN W. FINNEY

Special to The New York Times.  
WASHINGTON, Jan. 24—The

Administration plans to issue a code of conduct governing the activities of scientists serving as advisers to the Government.

The code would seek to clarify the conflict-on-interest problem confronting private scientists who are part-time consultants.

It would delineate the permissible non-Governmental activities of the scientific advisers and the personal information that they must supply the Government.

It is expected that the code would require that advisers provide the Government with a list of their outside activities, such as consultancies for Government contractors, and their financial interests, such as stockholdings.

The objective would be to keep the Government informed of potential conflict of interest, as well as to remove some of the onus now resting almost completely on the scientists for avoiding a violation of the conflict-of-interest laws.

About the only requirement now imposed on scientists is that they disqualify themselves from matters in which they have a financial interest.

The code would be a stopgap measure until Congress can pass legislation strengthening, clarifying and modifying the present conflict-of-interests laws, most of which were passed in the Civil War period to deal with profiteers.

At the request of the Administration, the House last year

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## SCIENTISTS TO GET NEW ETHICS CODE

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passed legislation modernizing the conflict-of-interest laws, and the matter is now pending in the Senate Judiciary Committee. The legislation would establish special provisions covering Government advisers and give the Government authority to grant special exemptions.

### U.S. Could Lose Advisers

Administration officials have decided, however, that the conflict-of-interest problem is too pressing to wait for a change in the law and that certain administrative steps can be taken to clarify the present situation and to correct what officials now concede are inadequate regulations.

Without some clarification, the Administration faces the

possibility of losing many of its present scientific advisers. In recent weeks, according to officials, several of the advisers have raised the question as to whether they should resign to avoid any possible violation of the conflict of interest laws.

Under a strict interpretation of the present laws, many of these advisers who are serving as consultants for Government contractors would be involved in a conflict-of-interest violation.

The dilemma that the Administration is trying to resolve in the new code and the proposed modification of the law is now to obtain the needed advice of these scientists and still not involve them in a legal conflict of interest.

Another factor that has precipitated the urgent drafting of a new code is a recognition in high Administration circles that if corrective steps are not taken, the Administration could become involved in a conflict-of-interest scandal that could be politically embarrassing.

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2	Mr [REDACTED]	1 Feb	AD
3	<i>Conflicts of Interest file</i>		
4			
5			
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Remarks:			
<p><i>Note: by phone, Houston says the new Def J paper would be out very fairly soon. His recommendation: we should continue our review, but make no change - except - the DeFlores matter - until the new Regulations come out.</i></p>			
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FROM: NAME, ADDRESS AND PHONE NO.			DATE